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HISTORY OF AMERICAN INTELLIGENCE

- Aug. 1955)

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The history of intelligence is as old as history itself. So is the history of unorthodox warfare. America is no exception. From the early use of American frontiersmen against French and Indian enemies, down through her wars, America has not hesitated to use intelligence and unorthodox warfare as one of the responses to the challenges which have confronted her throughout history. So it is that intelligence and unorthodox warfare are part of the fundamental responses of nations to the fundamental crises that beset them from time to time. That is why the history of American Intelligence is to be found largely in the record of America's wars. While there are many individual precedents in American history for intelligence, we must not expect to find any continuity of intelligence doctrine or intelligence organization until comparatively recent times.

On the other hand, the thought is sometimes advanced that intelligence and unorthodox warfare are uncongenial to our national temperament. That is why it is important to point out these precedents in American history. What is different today is the permanence, the continuity, and the complexity of modern intelligence and unorthodox warfare. And this may very well be due to the seemingly permanent and very complex challenge of our times.

Beginning our story with the Revolution let us, for the moment, shift our perspective and see it not only as a war between American patriots and His Majesty's forces, but as a Civil War, which, in large part was between loyalists and patriots, between men who might lend their names to petitions for grievances but were loyal to the British Crown, and others who saw America's place in the sun as realizable only through completely independence. The situation was one pregnant with possibilities for clandestine activities of all types, and the

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British were very quick to make use of this situation. They employed Loyalists as spies continuously from the very beginning. The shot that was heard around the world at Lexington was the immediate result of a report which General Gage, British Commander-in-Chief, received from Benjamin Church, a member of the Massachusetts Provincial Council of Safety, famous poet and physician. He had been tipping off the British as to the movements of the patriots and their storing arms at Concord and Lexington. This is one example of many such incidents. General Washington also made extensive use of spies in connection with his military operations. Captain Nathan Hale, of course, is well known to us as a spy who failed. General Washington used him to penetrate the British lines to try to get information from behind the lines in Long Island. He got the information but on his way out, got a little careless and was caught. The effort was a failure but it resulted in a resolve in General Washington's mind to see that it would not happen again. A man named Townsend replaced him and he furnished valuable information for the rest of the war. It also convinced General Washington of the need for a Secret Service Bureau. Major Benjamin Talmadge became his G-2 for the rest of the war.

In addition to espionage, there were other clandestine activities. You are familiar with the guerrilla-type warfare that the militia men frequently used against the rigid British Infantry formations. You are all familiar with the resistance operations of Paul Revere and of the Boston Tea Party. Less familiar perhaps to us are the morale operations directed against the Hessians. They were offered citizenship and land for defecting. A hand bill of the day which was circulated by General Washington's men to the Hessian mercenaries offered land and citizenship to those who might "Choose to accept land, liberty,

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safety and a communion of good laws in a country where many of their friends and relations are already happily settled rather than continue exposed to the perils and dangers of a long and bloody war waged against a people guilty of no other crime than that of refusing to exchange freedom for slavery."

Mention of the Revolution would not be complete without some mention of overseas covert diplomatic activities. Foreign policy was conducted at that time by the Continental Congress, which in 1775 formed the Committee of Secret Correspondence. It commissioned Arthur Lee as its agent to London and Silas Dean as its agent to Paris. Dean went there under commercial cover. They were to win support for the American cause and Arthur Lee was to do a little espionage work on the British. Lee was not too good in his own security precautions. At least six British agents worked for him as clerks! However, Arthur Lee redeemed himself. In London he met Beaumarchais, the author of "Figaro" and "Barber of Seville". Beaumarchais became enamored of the colonial cause, went back to France, and bombarded the French Foreign Minister, Vergennes, and the King of France with strikingly phrased pleas for assistance. The French were a little hesitant at first; not that they didn't want to do the British in but open assistance might bring on a declaration of war. It was decided that the best way to help weaken the British with a minimum of risk would be to set up some clandestine operation which would furnish supplies to the Patriots. A bogus firm was set up called Hortalez and Cie. With Beaumarchais as guiding genius and with the French and Spanish Governments as financial backers, Hortalez supplied the Patriots war effort for months. During the first two and a half years, over 90% of the powder that was used by the Colonials came through Hortalez. At

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one time they operated 14 ships. Beaumarchais never conceived a more successful plot.

Later on, Benjamin Franklin was sent to Paris where he used his great popularity to good advantage. He wrote many articles to cast discredit upon the British, the most famous of which was a forged letter purporting to show that the British were buying bales of American scalps from the Indians, mainly of children and women.

We move on now to the Civil War where we find some espionage performed for the Confederacy by Southern belles, Mrs. Rose Greenhow being one of them. Then, a private detective agency, the Pinkerton Detective Agency, became, through default, the G-2 of the Army of the Potomac. Allan Pinkerton was General McClellan's G-2. He went down with McClellan. You recall the great furor which raged around McClellan as to why he, only 31 years old, was the most conservative and cautious Union General against the Confederate forces. It may have been due to Pinkerton who continually overestimated the strength of the Confederate forces facing McClellan, sometimes by twice as many men as actually faced McClellan. Pinkerton was successful in getting Richmond, however.

A word should be mentioned here about the Cavalry, its use in American history in both intelligence missions and unorthodox warfare. Most famous of the cavalry leaders was Jeb Stewart, Confederate Cavalry leader and scourge on the regions in which he operated. He would swing around union lines, picking up vital information that was needed by the Confederacy and also cutting communication lines, burning supply depots, etc. I want to mention one more private operator in the Civil War, ~~Easa~~ Emma Bonons, nurse and spy. She wasn't booked by that title. She was pulled out of the lines where she served as a nurse and assigned

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particular missions through enemy lines. She was very famous for her ability at disguising herself. In connection with her, I might tell a story which I think is interesting to all of us who have had to be assessed before coming here. She was assessed before she was found suitable for espionage missions. The assessment consisted in calling in a phrenologist to examine the bumps on her head! She was found to have the bump of secretiveness and that of aggressiveness, and so she passed! One other interesting item which set an important precedent: At one time Pinkerton was not able to get appropriations from Congress for his agents. Congress refused appropriations unless the names of his agents were listed with the reasons why they were to get these sums. He refused and won out, thereby establishing a precedent which is now imbedded in the National Security Act of 1947, whereby the Director of Central Intelligence has the duty and the responsibility to protect intelligence methods and sources.

The second major division of our presentation deals with the development of departmental intelligence. We begin with the War Department. In 1885, the Secretary of War was asked for information on a foreign army. No one in the War Department was able to give it to him and no one was responsible for it. So he went to the Adjutant General's office and told him to establish such a function, to set up a unit to take care of it. As a result, the Military Information Division was founded, and this was the predecessor of G-2. It was placed in the Adjutant General's Office, in the Miscellaneous Section of the Reserve Branch; Staff: 1 Officer and 1 Enlisted man — a humble beginning! In 1886, Military Attaches were authorized. In 1918, the army was completely reorganized and patterned somewhat after the German General Staff, with a Chief of Staff as

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the No. 1 military man and four assistant Chiefs of Staff reporting to him, one of whom - G-2 - was assistant Chief of Staff for Intelligence. The structure of the Army has been pretty much the same right down to this day. In World War I we depended almost exclusively on British and French Intelligence. But, in World War I we did set up the Corps of Intelligence Police - the CIP. This was the forerunner of the CIC. CIP was set up to apprehend enemy agents in France. In 1942 it became the Counter Intelligence Corps, the counter-intelligence arm of the entire military establishment. Intelligence efforts in G-2 were quite modest, however, considering that in 1938 there were only 20 officers and 48 civilians in G-2.

The function of Air Intelligence has existed ever since the formation of an Army Air Corps. It originally came under G-2. In 1942, a merger was achieved by the setting of a separate Air Staff: A-1, A-2, A-3, A-4. It was patterned, of course, on the Army structure, and was still under Army jurisdiction. It was not until 1947 that a separate Air Force was set up. A Chief of Staff was made the top military man. Under him are a number of Deputy Chiefs of Staff, one of whom is the Deputy Chief of Staff for Operations. Under him, comes the Director of Intelligence. Intelligence in the Air Force is on the same staff level as in the Navy.

The Department of State: In 1775, the Continental Congress formed a Committee of Secret Correspondence. Throughout the years, State representatives came gradually to limit their activities to more overt ones. But a very important role in overt collection was performed by the State Department, and is still being performed by them - the overt collection function of the Foreign Service Officers. The Foreign Service Officers are the collection

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officers for the intelligence community. They report what they see, what they hear, what they observe, whom they talk to. There was no separate intelligence production unit as such, however, until recent times. In 1947 the State Department was reorganized and the title of Special Assistant for Intelligence was created. The Special Assistant for Intelligence ranks with the Assistant Secretaries of State. He is called a Special Assistant in order that his tenure may be continuous throughout any changes in the administration. The Special Assistant heads an area which is called the "R" Area - "R" originally standing for research. We find here two offices: one - the intelligence producing office-the Office of Intelligence Research, and the Office of Libraries and Intelligence Acquisitions.

Our third main subdivision deals with the development of national intelligence. This brings us up to modern times. We will take World War 2 first - the COI/OSS experience, and then go on to post-war developments. In July 1941, the Office of the Coordinator of Information was set up - COI. It was set up by Executive Order and William J. Donovan was named the Coordinator of Information. It was announced as an agency which would engage in the coordination and dissemination of information. This is what it was announced as. What it actually was, was the first full-scale, all-out, centralized national effort to coordinate the functions of intelligence research, espionage, sabotage, subversion, and all other types of unorthodox warfare, and to thereby forge new instrument of war. It was in large measure the work of one man - William Donovan, now Ambassador to Thailand. Right after the fall of France, Secretary of the Navy Frank Knox recommended to the late President Roosevelt that someone be sent to Europe to study the situation there, to see whether the British would be able to hold out, and particularly to study the use

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of the fifth column activities of the Germans. Donovan went to England, made good contacts, was initiated into the British organizations engaged in intelligence and unorthodox warfare. These contacts served him in good stead throughout the war. He came back, convinced that Britain would hold out, and recommended American Aid. This recommendation was important in our decision to go all out and help England. Secondly, he was convinced that psychological warfare was important to modern warfare and that it was being neglected by the allies. Before taking his trip, he had also been asked for information from all sides. He saw the necessity of an intelligence service which would fill the gaps in the information picture. There was a considerable amount of information, but there were big gaps in it: spotty, lacking complete coverage, lacking coordination. He took another trip in early 1941 to the Middle East, to get in touch with a number of other clandestine organizations. As a result of this trip, more concrete recommendations were made.

As the result of Donovan's recommendations, the President decided to establish an office to carry them out. The functions were not spelled out however. Both of them agreed that in the delicate situation existing in Washington at the time, it would be better to have a broad charter which then could be spelled out as the situation warranted. Donovan had expressed his full views to Roosevelt, had asked only for three guarantees: one was that he would report directly to the President; Secondly, that he would have access to the secret funds of the President - the unvouchered funds; and thirdly, that the President direct the other departments to cooperate with him in the furnishing of information. He got all three guarantees.

What were the major functions of OGI? The first was propaganda. The Foreign Information Service (FIS) was set up first. This was headed by Robert Sherwood. There was controversy from the very beginning about the propaganda

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function that COI had - primarily as to whether propaganda was primarily an instrument of conversion or of subversion. Was it a question of broadcasting the truth, the whole truth and nothing but the truth to the world? This was one concept. General Donovan's was a different plan - he conceived propaganda primarily as a weapon, designed to exploit the weaknesses of the enemy, to be used selectively to probe and to exploit. Then again, another distinction which we have now adopted was being worked out - the distinction between overt propaganda and covert propaganda. Sherwood was also very much opposed to putting propaganda under the military. Eventually when COI gave way to its successor office in June 1942, the Office of Strategic Services (OSS), the propaganda function was taken away from Donovan. It was now to be centered in a new office, the Office of War Information. So it is today, the distinction between overt and covert propaganda has remained with us. Overt propaganda is in the hands of the USIA and covert propaganda is in the hands of CIA/DDP.

The second major function was the evaluation and the interpretation of the information, research and analysis (R&A). Here we have the beginning of the intellectual element in intelligence. In great Britain, from the very beginning, there has been a close association of literary men in intelligence. Christopher Marlowe, for example, was head of the Secret Service. General Donovan assembled about him a group of scholars: historians, economists, geographers, political scientists, etc., from some thirty-five top universities. William Baxter Phinney, III, President of Williams College, headed the branch. Their function was two-fold. The first was to engage in research. The second, to evaluate the raw information which was coming in from the field. This branch, by the way,

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the R&A, is the origin of those offices which are now grouped in the so-called DD/I area in this Agency.

The third major function was clandestine collection or secret intelligence, as it was called. In December 1942, G-2, ONI, State, and the FBI - the FBI had espionage responsibilities in South America - had agreed on the need for coordinating the secret intelligence effort. COI seemed the answer. It was a civilian agency, had access to unvouchered funds, and the like. And so, both the Army and the Navy recommended that the clandestine collection function be centralized under COI. This was set up in October.

The fourth major function was "Special Operations"- sabotage, subversion, guerrillas, and the like. This was established after Pearl Harbor. It had always been part of General Donovan's overall concept. It was not set up until war came.

Donovan's concept of his new strategic weapon was now complete. There are six steps - in his overall strategic concept - the concept of how to use "Strategic Services" - this "Fourth Force" as it is sometimes called today - Army, Navy, Air, and Strategic Services coming in as the fourth, crossing theater lines and service lines. The first in the six steps is intelligence penetration. This would be done by SI (what would today be FI) clandestine collection. FI had its origins in the secret intelligence effort under Donovan as PM activities have their origin in the Special Operations Branch. The second step - the fruits of this penetration would then be processed by R&A and made available at the top to strategic planners and also to the propaganda service. To use the analogy of CIA's organizational

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designation today - first, FI picks up the information, secondly, the DD/I Office processes it and makes it available at the top - the NSC - and also to the operations people. Then we get into the four other steps which are all operational steps. The third step, or first operational step, is propaganda. Donovan called it "the arrow of initial penetration". This is the first phase in operations. The fourth step is special operations in the form of sabotage and fifth-column work. The fifth step - commando raids, guerrilla tactics, and uprisings behind the lines. All this is the "softening up process". The sixth step - with the softening up process completed, invasion by the Armed Forces follows. Now, Donovan sought not only to perfect all of these steps but to unify them and to thereby forge a new instrument of war. He was convinced that these functions were not only important in themselves but were interrelated.

When war came to the United States, Donovan thought that COI should be under the Joint Chiefs of Staff. In addition, the Bureau of the Budget had become critical of certain COI activities. As a result, in June 1942, the Office of Strategic Services was established to replace COI, with one important difference. The propaganda function was taken away. It was integrated with other foreign information units and became OWI.

There was a six-month period of confusion when OSS was placed under the JCS, as to what its function should be and as to how it would be integrated with military strategy. There were all sorts of "Psychological Warfare" committees in those days, and no one was agreed on the precise meaning of the term. Eventually, agreements were worked out. In June 1943, a definite mandate was given to OSS with functions specified in detail. It had taken

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27 months as COI and OSS for the Agency to develop definitive authorization and sufficient support.

A word about "Strategic Services" in the field, for OSS was designed, in the last analysis, to provide such services. In the European theater of operations, the services were best in the preparation of territory for large scale invasion. In the Far East, they were best in developing guerrilla tactics directed against enemy line of communication where OSS took the place of regular military components. On the intelligence side, the best intelligence record of the war was compiled by a small staff operating under Allen Dulles in Bern, Switzerland. He had less than twelve men but they got information on V-1, V-2, bacteriological and atomic research. They also conducted "Operation Sunrise"- the surrender of 2 million Germans in northern Italy toward the end of the war, and other important items such as complete details of German espionage operations in Sweden, Spain, Turkey, etc. Their success was made possible largely because

Intelligence in the post-war period: In the fall of 1944, President Roosevelt asked for some post-war plans as to the future of American intelligence. Donovan had kept in mind the idea of a permanent Central Intelligence

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Service. He conceived many of the functions of OSS as being primarily war-time functions, but the intelligence service he conceived in terms of something permanent. He submitted his views, as did many others. From the fall of '44 to the fall of '45 there was much discussion in Washington as to the future of U. S. Intelligence. Some of the people in the Agency who were in OSS at that time took part in these discussions that have been referred to as the "Battle of the Potomac". There were discussions with other intelligence units throughout Washington who had their own view as to what sort of a permanent intelligence service should be formed after the war. It was no longer a question of selling intelligence - as it would have been before World War II. The question now was what form will it take? One of the most influential men in the shaping of post-war developments in intelligence was the late Secretary of Defense Forrestal. Some sort of compromise was arrived at in January 1946 but before that happened there is an interim period there from the dismemberment of OSS in October 1945 to January 1946. During this interim period, a cadre or nucleus, composed of people engaged in the clandestine services, were grouped together as the Strategic Services Unit (SSU) and placed in the War Department. The clandestine services cadre, have maintained continuity since 1941. The Research and Analysis Branch was sent to the State Department to become the nucleus of a future civilian intelligence organization in that Department. Many people at the time were in favor of having the State Department be the civilian balance wheel in the intelligence community. In January 1946, the whole national security structure was revamped and reorganized, at least on an experimental basis, when by Executive Order, President Truman established the National Intelligence Authority (NIA) - the top level advisory body in matters of national

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security and foreign policy. Reporting to the National Intelligence Authority (which included the Secretary of War, Secretary of Navy, Secretary of State) as its Intelligence Officer was a DCI - a Director of Central Intelligence. The DCI function goes back to 1946. And this man, this DCI - would also be the administrative head of a CIG - a Central Intelligence Group. The Central Intelligence Group had a small T/O. I don't believe it exceeded 300. Its role was conceived of as a small staff role. The people were not to engage in any collection or basic research but would coordinate at the top and perform the staff functions of the DCI. CIG was also the victim of the bitter unification struggle going on at the time.

In July 1947, the national security structure was permanently reorganized by legislative act, with the passage of the National Security Act. At that time the NEA gave way to the NSC - the National Security Council, again having the broad advisory function in the fields of foreign policy and national security. Reporting to the NSC as its intelligence officer and sitting in as a non-voting member is the DCI who is this time the administrative head of a CIA. As you see, we are less than 7 years old, yet there has been continuity of function since 1941 for many people in this Agency. The first DCI's were Admiral Sauer, the late General Vandenberg, Admiral Hillenkoetter, who remained for three years after the passage of the National Security Act. In 1950, he was replaced by General Walter Bedell Smith, whose regime lasted until January 1953, at which time he was replaced by Mr. Allen Dulles. The act gave a clear statement of the mission and functions of CIA. It also provided the machinery through which a division of labor between the departmental agencies and the national

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intelligence agency could be worked out. And it also set up the necessary coordinating machinery. How the arrangement was working out in 1948 was the subject of a special study made by the Jackson-Dulles Committee, which made certain recommendations for the improvement of the Central Intelligence Agency and the intelligence community. Most of these improvements have been carried out since Mr. Dulles and Mr. Jackson became associated with the Agency. How the arrangement is working out now constitutes a separate chapter in the contemporary history of American intelligence and can best be treated separately.

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